

RESOLUTION NO. 74534

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE
APPROVING A FUNDING COMMITMENT OF FEDERAL HOME
FUNDS FOR THE BILL WILSON CENTER FOR THE
REHABILITATION OF THE COMMONS AFFORDABLE RENTAL
HOUSING PROJECT, AND APPROVING A LOAN-TO-VALUE
RATIO IN EXCESS OF 100%**

WHEREAS, on November 19, 2007, Bill Wilson Center ("BWC") submitted a request to the City of San José ("City") for \$1,700,000 to partially defray the cost to rehabilitate a 28-unit apartment complex, located at 3661 Peacock Court in the City of Santa Clara, that will house 32 youth aging out of foster care or otherwise at risk of homelessness; and

WHEREAS, review of the project plans and scope of rehabilitation work identified an additional \$100,000 (for a total of \$1,800,000 in funding from the City) for additional upgrades to replace baseboard heaters with heat pumps that provide both heating and cooling capability with greater energy efficiency and adding ceiling exhaust fans to provide air circulation in rooms where the outside noise levels require windows to remain closed; and

WHEREAS, the total project cost is \$8,966,200 and in addition to the City's funding, the project will receive financing from the California Department of Housing and Community Development, the cities of Santa Clara and Sunnyvale, the Housing Trust Fund of Santa Clara County, the Corporation for Supportive Housing, and fundraising proceeds; and

WHEREAS, in general affordable housing funds are restricted to the jurisdiction of origin, however funds from HOME and other federal programs may be expended in a neighboring jurisdiction if the project will serve a special needs population from both jurisdictions; and

WHEREAS, the City desires to approve a funding commitment of up to \$1,800,000 in Federal HOME funds for BWC, or its designee, for the rehabilitation of The Commons, a 28-unit affordable rental housing project targeted to San José and Santa Clara youth aging out of foster care or otherwise at risk of homelessness, to be made available to extremely low-

income, very low-income and low-income households and to approve a 224% loan-to-value ratio as an exception to City policy that the loan-to-value ratio in affordable housing projects should not exceed 100%;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

1. A funding commitment of up to \$1,800,000 in Federal HOME funds for Bill Wilson Center, or its designee, for the rehabilitation of The Commons, a 28-unit affordable rental housing project targeted to San José and Santa Clara youth aging out of foster care or otherwise at risk of homelessness located at 3661 Peacock Court in the City of Santa Clara, to be made available to extremely low-income, very low-income and low-income households, as more specifically set forth in the Director of Housing report dated July 14, 2008, is hereby approved.
2. A 224% loan-to-value ratio as an exception to City policy that the loan-to-value ratio in affordable housing projects should not exceed 100%, as more specifically set forth in the Director of Housing report dated July 14, 2008, is hereby approved.

ADOPTED this 5th day of August, 2008, by the following vote:

AYES:	CAMPOS, CHIRCO, CHU, CONSTANT, CORTESE, LICCARDI, NGUYEN, PYLE, WILLIAMS, REED.
NOES:	NONE.
ABSENT:	OLIVERIO.
DISQUALIFIED:	NONE.

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk